

# Remuneration Report

## Principles of Board of Management remuneration

### Goals

The remuneration system for the Board of Management members that was approved by 95.33% of the votes at the 2020 Annual Shareholders' Meeting aims to promote the Company's business strategy and its sustainable long-term development. When determining the total remuneration of the individual Board of Management members on the basis of the remuneration system that was approved by the Annual Shareholders' Meeting, Daimler takes the condition of the Company into account as well as the members' areas of activity and responsibility. This is done in line with legal requirements and with a clear focus on the competition. A balanced combination of non-performance-related (fixed) and performance-related (variable) components of remuneration that also takes into account suitably ambitious performance parameters and performance indicators provides the Board of Management with an incentive to implement the corporate strategy and ensure the Group's sustained success. In this way, Daimler reconciles the interests of all stakeholders, in particular those of the shareholders as the owners of the Company and those of the employees.

In addition to ensuring the appropriateness of the remuneration with regard to performance and market conformance while taking the size, complexity and economic situation of the Group into account, Daimler strongly focuses on making the remuneration system of the Board of Management consistent with that of the management team. The latter aspect ensures that all of the decision-makers pursue uniform goals while taking the same financial and sustainability/Environment Social Governance (ESG) aspects into account and promoting Daimler's cultural and organizational realignment. Further information about the remuneration system that was approved by the Annual Shareholders' Meeting is available on the company's website at [daimler.com/company/corporate-governance/board-of-management/compensation](https://www.daimler.com/company/corporate-governance/board-of-management/compensation).

### Practical implementation

For each upcoming financial year, the Presidential Committee at first prepares a review by the Supervisory Board of the remuneration system and the level of remuneration and where necessary prepares suggestions for changes. In the process, the Presidential Committee and the Supervisory Board can avail themselves of the advice of external remuneration experts. This was also done in the year under review.

The remuneration system agreed upon by the Supervisory Board is presented to the Annual Shareholders' Meeting for its approval. The Supervisory Board regularly reviews the Board of Management remuneration system on the basis of the preparations and recommendations made by the Presidential Committee. The Supervisory Board makes any changes that are deemed necessary. If major changes are made to the remuneration system, or at least at intervals of four years, it is presented to the Annual Shareholders' Meeting for approval. If the Annual Shareholders' Meeting does not approve the remuneration system, a revised remuneration system has to be submitted for approval to the next ordinary Annual Shareholders' Meeting at the very latest.

On the basis of the approved remuneration system, the Supervisory Board determines the amount of the target total remuneration of the individual Board of Management members for the upcoming financial year. It is set in an appropriate relationship to the responsibilities and performance of each Board of Management member and to the situation of the Group. In addition, the Supervisory Board makes sure that the target total remuneration is appropriate to the market. To do this, it makes both a horizontal and a vertical comparison.

Taking into account Daimler's market position (especially with regard to sector, size and country), the horizontal (external) comparison of the target total remuneration draws on a suitable group of companies from the DAX and comparable companies in Germany along with a group of international competitors consisting of listed automotive manufacturers. The following aspects are given particular attention:

- the effects of the individual fixed and variable components, that is, the methods behind them and their performance parameters;
- the relative weighting of the components, that is, the relationship between the fixed base salary and the short, medium and long-term variable components;
- and the amount of the target remuneration consisting of a fixed base remuneration, an annual bonus as a short and medium-term variable component, and a long-term variable remuneration, also with consideration of entitlement to a retirement pension and fringe benefits.

In addition to the horizontal comparison, the Supervisory Board takes into account the development of the Board of Management remuneration in a vertical – internal – comparison with the remuneration of the senior executives and the total workforce (non-exempt and exempt employees, including senior executives) of the Daimler Group in Germany. This is done by comparing the Board of Management remuneration with the remuneration of the defined group of persons. In addition, it compares the Board of Management remuneration with that of the total workforce, including those of companies listed in the DAX and comparable companies.

The Supervisory Board has defined the group of senior executives as follows: It consists of the two management levels below the Board of Management at Daimler AG within the Daimler Group in Germany.

In the event of significant changes in the relationship between the remuneration of the Board of Management and the horizontal and vertical comparison groups the Supervisory Board establishes the causes and in the absence of objective reasons for the deviations adjusts the remuneration of the Board of Management as necessary.

The remuneration system enables the Supervisory Board to take into consideration the function and area of responsibility of the individual Board of Management member when determining the amount of the target total remuneration while also taking into account criteria such as international workplace and experience as well as the duration of membership of the Board of Management.

The remuneration system fundamentally consists of fixed non-performance-related and variable performance-related remuneration components, the sum of which determines the remuneration a Board of Management member receives in total.

The fixed non-performance-related remuneration consists of the base salary, the fringe benefits (the amount of which can change each year for each individual and as a result of certain events) and the retirement benefit commitments of each Board of Management member. The annual contribution for the retirement pension commitments is determined on the basis of the sum of the base salary and the total annual bonus as determined at the end of the reporting period.

The variable performance-related remuneration, in turn, is split into a short and medium-term variable remuneration (annual bonus) and a long-term variable remuneration (Performance Phantom Share Plan (PPSP)). For each financial year, the Supervisory Board links the variable remuneration components to targets derived from the strategy. The degree to which these targets are achieved determines how high the payments actually are.

For each financial year, the Supervisory Board also specifies a target bonus for the annual bonus if target achievement amounts to 100%. In addition, it sets an amount that is granted for the PPSP.

It also decides on the relevant financial performance parameters and the respective targets that are to be used in the bonus calculations (the short and medium-term variable remuneration components) for the upcoming financial year. Furthermore, sustainability-based non-financial targets are drawn up for the Board of Management as a whole, as are transformation targets oriented toward the implementation of future-focused measures for the Group's technological and sustainable realignment. Since the 2019 financial year, the annual bonus for the Board of Management and for managers has been calculated according to uniform goals/criteria and a uniform system.

For the long-term variable component of remuneration (PPSP) the Supervisory Board sets an amount to be granted for the upcoming financial year in the form of an absolute amount in euros and sets the respective performance targets. The uniform approach for the targets/criteria and the PPSP system has been in force for the Board of Management and for managers since it was introduced in 2005.

After the end of each financial year, the amount of the annual bonus is determined by measuring the achievement of the financial, non-financial and transformation targets by the Board of Management as a whole. The Presidential Committee then calculates the annual bonus and submits its proposal to the Supervisory Board for its approval.

The amount to be paid out for the long-term variable remuneration component (PPSP) is determined at the end of the four-year plan period and approved for payment after the Presidential Committee and the Supervisory Board have been informed.

**The system of Board of Management remuneration in 2020**

The fixed base salary and the annual bonus each comprise approximately 30% of the target remuneration (without the retirement pension commitments and fringe benefits), while the variable component of remuneration with a long-term incentive effect (PPSP) makes up approximately 40% of the target remuneration. [↗ B.38](#)

Additional components of the non-performance-related remuneration are the retirement pension commitments and the fringe benefits (non-cash benefits in kind: mainly expenses for security precautions that are borne by the Company and the provision of company cars). The contribution to the pension plan is currently 15% of the sum of the base salary and the total annual bonus as determined at the end of the reporting period. As a rule and on average, the fringe benefits have generally amounted to 25% of the base salary over the past three years.

As before, only 50% of the annual bonus is paid out in the March of the following financial year. The other 50% is paid out a year later (deferral) with the application of a bonus-malus rule, depending on the development of the Daimler share price compared with an automotive index (STOXX Europe Auto Index) [👁 Daimler and the Capital Market](#), which Daimler AG uses as a benchmark for the relative share-price development. Both the delayed payout of the portion of the annual bonus (with the use of the bonus-malus rule) and the variable component of remuneration from the PPSP with its link to additional, ambitious comparative parameters and to the share price reflect the recommendations of the German Corporate Governance Code as amended on December 16, 2019, which stipulates that the variable remuneration that results from the achievement of long-term objectives should exceed that from short-term objectives.

The maximum amounts of remuneration of Board of Management members are limited, not only with regard to the variable components but also by a maximum amount for the cash payment and a maximum total remuneration pursuant to Section 87a Subsection 1 Sentence 2 No. 1 of the German Stock Corporation Act (AktG).

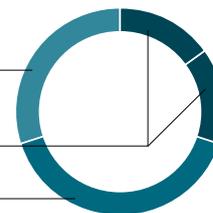
The maximum amounts of the cash payments to the members of the Board of Management were set at 1.9 times the sum of the base salary, the target annual bonus, and the value when granted of the PPSP for its members. It is 1.7 times for the Chairman of the Board of Management. The possible cap on the amount exceeding the maximum limit of the cash payments takes place with the payment of the PPSP issued in the relevant financial year, i.e. for the year 2020, with payment of the PPSP 2020 in 2024. [↗ B.39](#)

**B.38**

**Remuneration structure**

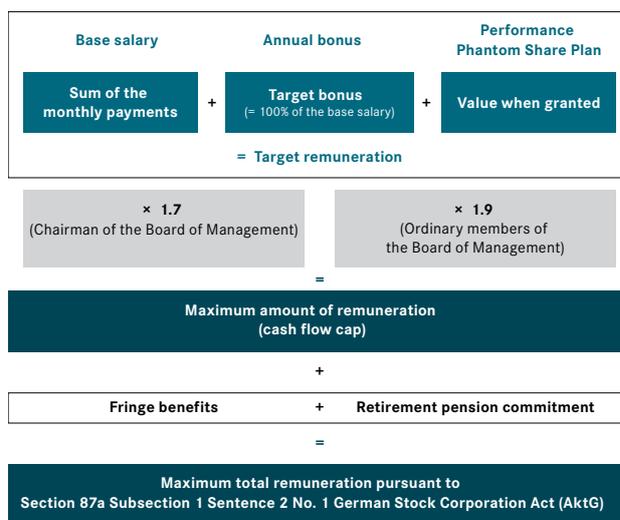
Target remuneration consists of non-performance-related and performance-related components:

base salary (non-performance-related)	approx. 30%
short- and medium-term performance-related components	approx. 30%
long-term performance-related components	approx. 40%



**B.39**

**Calculation of the maximum amount of remuneration (cash flow cap) and maximum total remuneration 2020**



Base salary in 2020  
 + Annual bonus in 2020 (50% paid out in 2021 + 50% paid out in 2022)  
 + PPSP payment for 2020 (in 2024) incl. dividend equivalent payments

**Total cash payments<sup>1</sup> 2020**  
 + Fringe benefits 2020  
 + Retirement pension commitment 2020

**Total remuneration<sup>2</sup> in 2020**

The possible cap on the amount exceeding the maximum amount of remuneration<sup>1</sup> and/or the maximum total remuneration<sup>2</sup> takes place with the payment of the PPSP for 2020 in 2024.

Pursuant to Section 87a Subsection 1 Sentence 2 No. 1 of the German Stock Corporation Act (AktG), the Supervisory Board has also set a maximum remuneration that was analyzed with regard to its appropriateness. This remuneration includes fringe benefits (non-cash benefits: expenses for security precautions that are mainly borne by the Company and the provision of company cars) as well as the maximum generally determined amounts of the retirement pension expense. The maximum remuneration for one financial year amounts to €12,000,000 for the Chairman of the Board of Management and €7,200,000 for an ordinary member of the Board of Management. The possible cap on the amount exceeding the maximum total remuneration also takes place with the payment of the PPSP issued in the relevant financial year.

The individual components of the remuneration system are as follows:

**B.40**

**Base salary – fixed**

base salary – fixed – oriented towards the area of responsibility



**Fixed remuneration components**

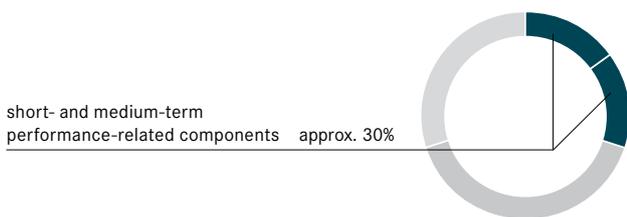
The **base salary** is fixed remuneration relating to the entire year, oriented toward the area of responsibility and the experience of each Board of Management member and paid out in twelve monthly installments. For financial year 2020, the Board of Management members have voluntarily agreed to forgo 20% of their base salary from April 1 to December 31, 2020. [➔ B.40](#)

Fringe benefits are an additional component of the fixed remuneration. These are mainly composed of expenses for security precautions and the provision of company cars. In addition, special location-based services can be provided for Board of Management members who work abroad. In exceptional cases, members who are newly appointed to the Board of Management can receive one-time payments to reimburse them for the loss of remuneration from their immediately previous employment.

The details of the retirement benefit commitments are described in a separate section in this chapter.

**B.41**

**Annual bonus – short- and medium-term performance-related remuneration**



**Variable remuneration components**

The **annual bonus** is a short and medium-term variable remuneration that provides an incentive for the contribution made in the financial year to the operational implementation of our corporate strategy, in particular the future-proofing expansion of our business model as a vehicle manufacturer and a provider of mobility services. The financial performance criteria are based on the operating result of the Daimler Group (EBIT) and the free cash flow of the industrial business, each of which is weighted at 50%. In addition to revenue, EBIT and the free cash flow of the industrial business are the most important financial performance indicators for the Daimler Group's operational financial performance. [➔ B.41](#)

$$\text{annual bonus 2020} = \text{target bonus} \times \text{overall target achievement}$$

target bonus = 100% of base salary 2020

overall target achievement = target achievement 50% EBIT / 50% FCF IB +/- target achievement for the non-financial targets +/- target achievement for the transformation targets

overall target achievement (max 200%)

**time of payment of annual bonus 2020**

50% of annual bonus = in March of the year after the reporting year (2021)  
 50% of annual bonus (deferral) = in March of the second year after the reporting year (2022)  
 amount paid out deferral = 50% of annual bonus × "relative share performance"<sup>1</sup>

<sup>1</sup> Depending on the development of the Daimler share price compared with the STOXX Europe Auto Index.

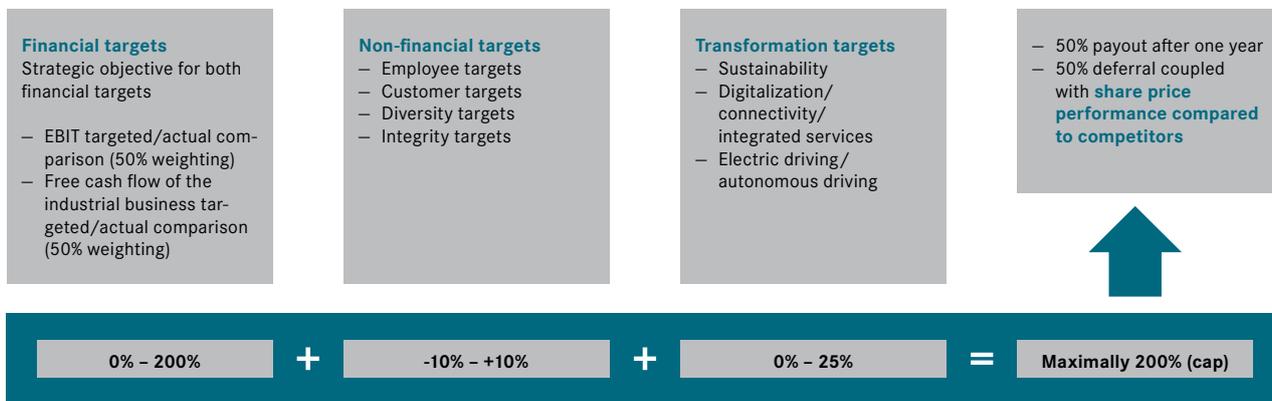
The annual bonus is also impacted by the transformation targets set by the Supervisory Board as well as by the sustainability-oriented non-financial targets for the Board of Management as a whole. These factors can raise or lower the annual bonus by up to 0% – +25% and +/-10%, respectively.

**Amount with 100% target achievement (target annual bonus)**

In 2020, this is equivalent to the respective base salary.

**B.42**

**Overview of the determination of the annual bonus from January 1, 2020**



## Financial targets

The target value of EBIT for each financial year continues to be derived on the basis of the desired medium-term return, which is set by the Supervisory Board and is ambitious and oriented toward the competitive environment, and derived from the growth targets. The starting point of the calculation is the revenue of the previous year. The target value for the free cash flow of the industrial business in the respective financial year is based on the defined EBIT target of the segments of the automobile business as well as on a strategic target for the cash conversion rate. The cash conversion rate is the proportion of the period's result that is scheduled to flow into the Group's liquidity after the payments for the necessary investments in research, development, tangible fixed assets and working capital are taken into account as part of the strategic growth target. When comparing the target free cash flow of the industrial business to the actual one, adjustments are made for certain factors that were taken into account in the target achievement of the annual bonus in 2019 or earlier.

Reference parameters:

- 50% comparison of actual EBIT in 2020 with EBIT targeted for 2020
- 50% comparison of actual free cash flow of the industrial business in 2020 with free cash flow of the industrial business targeted for 2020

The range of possible target achievement for the two financial targets (EBIT and free cash flow of the industrial business) is between 0% and 200%. The lower limit of this range is 25% of the target value; the upper limit is 125% of the target value. If the actually achieved value is at or under the lower limit of the range, the target achievement degree is always 0%. The total absence of a bonus is therefore possible.

If the actually achieved value is at or above the upper limit of the range, the target achievement degree is 200%, which is the maximum it can reach. The degree of target achievement develops linearly within the range. [➤ B.43](#)

## Non-financial targets

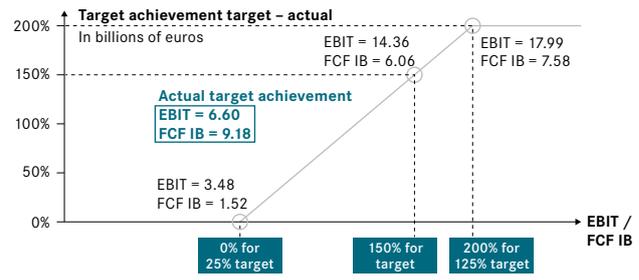
The non-financial targets, which are oriented toward sustainability and cultural aspects and have been uniform at all management levels since financial year 2019, are divided into four categories. Each category is weighted equally and receives an addition or a deduction of up to 2.5 percentage points to or from the degree of achievement of the financial target. After the end of the financial year, the degree of target achievement is calculated by comparing the target value and the actual value. On this basis, an addition to or a deduction from the degree of financial target achievement of up to a total amount of 10 percentage points is possible. The total of the addition or deduction resulting from the non-financial targets is rounded to two significant figures. For the financial year 2020 this results in an addition of +6% (rounded).

## B.43

### Financial targets:

#### EBIT and free cash flow of the industrial business (FCF IB)

Achievement of EBIT respectively FCF IB target results in 150% target achievement



**B.44****Integrity**

Degree of target achievement	Addition or deduction	Integrity indicator +	Approval rate of any question
Excellent	2.5%	>80%	>74%
Good	2.0%	71-80%	65-74%
Average	1.0%	61-70%	60-64%
Low	-2.5%	≤60%	≤59%

Quality and/or customer satisfaction targets (quality KPIs of all divisions) were defined by the individual divisions for the financial year. With regard to vehicles, a comparison of the target number and the actual number of claims during a predefined period of time (MIS xx) was carried out. With regard to services, this comparison was carried out by means of a customer satisfaction index. The degree of target achievement at the Group level (+1.0%) was derived as a weighted average of the individual divisional degrees of target achievement. ↗ **B.45**

**B.45****Quality**

Degree of target achievement	Addition or deduction	Quality KPIs of all divisions
Excellent	2.5%	The addition or deduction is dependent on the respective target value, which is defined for each specific division and product.
Good	2.0%	
Average	1.0%	
Low	-2.5%	

The degree of the employees' commitment to the Group (employee engagement) was calculated on the basis of their answers to certain standardized questions in our global employee survey. These answers, together with the participation rate achieved in the employee survey, were used to derive a +1.0% degree of target achievement at the Group level for the maintenance and enhancement of a high level of satisfaction and motivation among the employees. ↗ **B.46**

A target for the proportion of women in executive positions was defined at the Group level for a period of several years on the basis of Daimler's in-house guidelines for the proportion of women in management positions (Gender Diversity Aspirational Guidelines), which go beyond the legally obligatory targets. A +2.0% degree of target achievement was determined for this in a comparison of actual and target values that was conducted at the end of the financial year. ↗ **B.47**

**B.46****Employee engagement**

Degree of target achievement	Addition or deduction	Employee engagement +	Participation rate
Excellent	2.5%	>35%	>70%
Good	2.0%	31-35%	66-70%
Average	1.0%	25-30%	61-65%
Low	-2.5%	≤25%	≤60%

**Transformation targets**

The transformation targets represent both quantitative and qualitative aspects. They can add up to 25 percentage points to the degree to which the financial targets have been achieved.

**B.47****Diversity**

Degree of target achievement	Addition or deduction	Gender Diversity Aspirational Guidelines
Excellent	2.5%	Target overachieved ≥10%
Good	2.0%	Target overachieved <10%
Average	1.0%	Target achieved
Low	-2.5%	Target not achieved

In order to take into account the implementation of the future-oriented measures for the technological and sustainable realignment of the Group, the divisions defined measurable key performance indicators and target values from the future-oriented fields at the beginning of financial year 2020. Here, as an integral part of our corporate strategy, sustainability/Environment Social Governance (ESG) aspects have an explicit significance for our business dealings.

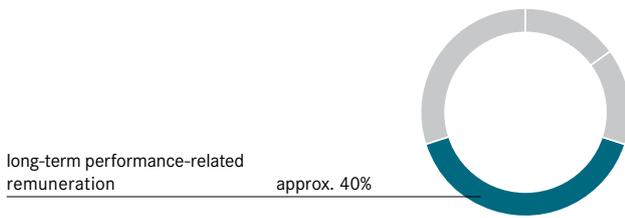
Specifically:

Achievement of the Group-level targets regarding the further development and permanent establishment of integrity was measured on the basis of certain standardized questions in a global employee survey. This measurement was based on the achieved approval rate of any question and the average approval rate achieved across all questions (integrity indicator). This served as the basis for determining that +2.0% of the target was achieved at the Group level. ↗ **B.44**

After the conclusion of financial year 2020, a comparison of the actual and target values was conducted for the transformation targets of each division in the topic areas of Sustainability/Digitalization/Connectivity/Integrated Service/Electric Driving/Autonomous Driving. The Supervisory Board derived the Board of Management's shared degree of target achievement from the divisions' degree of target achievement as well as the strategic, organizational and structural contribution of the Board of Management as a whole, taking into account the economic environment and the competitive situation and positioning of the Group. For the financial year 2020 this leads to the addition of +20% to the degree to which the financial targets have been achieved.

**B.48**

**Performance Phantom Share Plan (PPSP) – long-term performance-related remuneration**



**amount when granted in euros**  
price of Daimler shares when issued = preliminary number of phantom shares (virtual shares) three-year dividend entitlement

after expiry of third plan year  
preliminary number of phantom shares × performance factor = final number of phantom shares, dividend entitlement in fourth year

after expiry of fourth plan year  
final number of phantom shares × Daimler share price at end of plan = amount paid out

**Time of payment** of Performance Phantom Share Plan 2020 in February of the year 2024

**Limit for the annual bonus**

The total amount to be paid out from the annual bonus is limited to 2 times the base salary of the respective financial year.

**Malus/clawback**

Agreements have been reached with all the members of the Board of Management allowing for the partial reduction or complete elimination of the annual bonus for any member who violates the duties of Section 93 of the German Stock Corporation Act (AktG) or in particular the principles laid down in the Company’s Integrity Code. If it is not possible to reduce a future bonus payment or a payment that has yet to be made, the Board of Management member in question will be required to pay back the amount of the bonus reduction. The Supervisory Board has the final decision on all such bonus reductions.

**B.49**

**PPSP 2020**

dependent upon

**Development of the performance factor** – 50% relates to the “return on sales” achieved in a three-year comparison with the defined group of competitors  
Bandwidth of possible target achievement: 0% – 200%<sup>1</sup>  
– 50% relates to “relative share performance,” i.e. the performance of Daimler’s share in a three-year comparison with the performance of the defined group of competitors (index).  
Bandwidth of possible target achievement: 0% – 200%

**Development of the Daimler share price** Price when issued and price at the end of the plan period  
Bandwidth of possible price development: maximum of 2.5 times the issue price

**Maximum performance development (total cap)**  
2.5 times the amount granted (including dividend equivalent payments throughout the plan period)

**Stock ownership guidelines**  
Share purchase obligation of up to 25% of the gross remuneration until the defined number of shares (between 20,000 and 75,000) has been purchased (shares to be held until the end of the term of service)

<sup>1</sup> Maximum of 195% if, in the event of target achievement of 195% – 200%, the strategic return target has not been reached.

The **Performance Phantom Share Plan (PPSP)** is a variable element of remuneration with long-term incentive effects. At the beginning of the plan, the Supervisory Board specifies a grant value (absolute amount in euros) in the context of setting the individual annual target remuneration. This amount is divided by the relevant average price of Daimler shares calculated over a predefined long period of time, which results in the preliminary number of phantom shares allocated.

Also at the beginning of the plan, performance targets are set for a period of three years (performance period). Depending on the achievement of these performance targets with a possible range of 0% to 200%, after three years the phantom shares allocated at the beginning of the plan are converted into the final number of phantom shares allocated. After another plan year has elapsed (retention period), the amount to be paid out is calculated from this final number of phantom shares and the applicable share price at that time. The share price relevant for the payout under this plan is also relevant to allocating the preliminary number of phantom shares for the plan newly issued in the respective year. ↗ **B.48** ↗ **B.49**

A dividend equivalent is applied for each phantom share held if a dividend is paid out for Daimler shares in the respective year. The amount of the dividend equivalent is based on the dividend that is paid out during the respective year for an actual share in the Company. During the performance period, it is granted for the preliminary number of phantom shares that have been allocated; in the year of the retention period, it is granted for the final number of phantom shares.

**Value upon allocation**

Determined annually by the Supervisory Board; for 2020, approximately 1.4 times the base salary.

**Value of the phantom shares on payout**

During the four-year period between the allocation of the preliminary phantom shares and the payout of the plan proceeds, the phantom shares earn a dividend equivalent in the amount of the actual dividend paid on ordinary Daimler shares.

The value of the phantom shares to be paid out after the conclusion of the plan period depends on target achievement measured according to the criteria described below and on the share price relevant for the payout. This share price is limited to 2.5 times the share price at the beginning of the plan. In addition, the amount to be paid out is limited to 2.5 times the absolute euro amount specified at the beginning of the plan, which is relevant for the preliminary number of phantom shares allocated. This maximum amount also includes the dividend equivalent paid out during the four-year plan period.

The value of the phantom shares to be paid out depends on target achievement measured according to the criteria described below and on the share price relevant for the payout. This final amount paid is limited to 2.5 times the value when granted at the beginning of the plan. This maximum amount also includes the dividend equivalent paid out during the four-year plan period.

The terms governing the PPSP include a provision that allows for the partial reduction or complete elimination of the annual bonus for any member of the Board of Management who clearly violates the principles laid down in the Company's Integrity Code or any other professional obligations, prior to the payout of the plan proceeds. The Supervisory Board has the final decision on all such bonus reductions.

**Performance parameters for Plan 2020**

- 50% relates to the Group's return on sales in a three-year comparison with a group of competitors comprising listed vehicle manufacturers with an automotive component of more than 70% by revenue and an investment-grade credit rating (BMW, GM, Honda, Hyundai, Isuzu, Kia, Mazda, Nissan, Paccar, PSA Peugeot Citroen, Renault, Subaru, Suzuki, Toyota, Volvo and Volkswagen). For the measurement of success, the competitors' average return on sales is calculated over a period of three years. Target achievement occurs to the extent to which Daimler's return on sales deviates by a maximum of +/-2 percentage points from 105% of the calculated average of the competitors.
- Target achievement of 100% only occurs when the average return on sales of the Daimler Group reaches 105% of the revenue-weighted average return on sales of the group of competitors. Maximum target achievement of 200% occurs if Daimler's return on sales exceeds 105% of the revenue-weighted average of the competitors by 2 percentage points or more. An additional limitation was implemented starting with PPSP 2015: If a target achievement of between 195% and 200% occurs, the maximum target achievement calculated from the performance parameter of return on sales compared to the group of competitors will only be deemed to be 200% if the actual return on sales for Daimler's automotive business reaches at least the strategic target for return on sales in the third year of the performance period. Otherwise, target achievement will be limited to 195%.
- Target achievement of 0% occurs if Daimler's return on sales is 2 percentage points or more lower. In the deviation range of +/- 2 percentage points, target achievement varies in proportion to the deviation.
- 50% relates to "relative share performance," i.e. the performance of Daimler's share in a three-year comparison with the performance of the defined group of competitors (index). If the performance of Daimler's share (in percent) is the same as that of the index (in percent), target achievement is deemed to be 100%. If the performance of Daimler's share price (in percent) is 50 percentage points or more below (above) the performance of the index, target achievement is deemed to be 0% (200%). In the deviation range of +/- 50 percentage points, target achievement varies in proportion to the deviation.

**Range of possible target achievement**

0 to 200%, that is, the plan has an upper limit. It may also be zero.

**Policies for share ownership**

As a supplement to these three components of remuneration, "Stock Ownership Policies" exist for the Board of Management. These policies require the members of the Board of Management to purchase Daimler shares over several years and to hold those shares until the end of their Board of Management membership. The number of shares to be held is set between 20,000 and 75,000. In fulfillment of the policies, up to 25% of the gross remuneration out of each Performance Phantom Share Plan is generally to be used to acquire ordinary shares in the Company, but the required shares can also be acquired in other ways.